

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE HENDERSON-UNION )  
RURAL ELECTRIC COOPERATIVE CORPORATION )  
FOR PERMISSION TO BORROW FROM NATIONAL )  
RURAL UTILITIES COOPERATIVE FINANCE COR- )  
PORATION \$935,052 AND TO ISSUE ITS NOTES ) CASE NO. 9477  
THEREFOR AND FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY )

O R D E R

Henderson-Union Rural Electric Cooperative Corporation ("Henderson") filed its application on December 10, 1985, for authorization to borrow funds and to request a certificate of convenience and necessity to construct certain improvements and additions to its existing plant, the Commission requested additional information and it was received on January 21, 1986. These improvements and additions, as more specifically described in the application and record, are estimated to cost \$3,023,910 and will be financed by a loan of \$2,117,000 from the Rural Electrification Administration ("REA"), a loan of \$935,052 from the National Rural Utilities Cooperative Finance Corporation ("CFC").

The Public Service Commission, after consideration of the application and all evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require the construction by Henderson of the improvements and additions to its existing plant as described in the application and record, and a certificate should be granted.

2. The proposed borrowing from CFC is for lawful objects within the corporate purposes of Henderson, is necessary and appropriate for and consistent with the proper performance by Henderson of its service to the public, and will not impair its ability to perform that service.

IT IS THEREFORE ORDERED that Henderson be and it hereby is granted a certificate of convenience and necessity to proceed with the construction as set forth in the application and record.

IT IS FURTHER ORDERED that Henderson be and it hereby is authorized to borrow \$935,052 from CFC for a 35-year period at an initial interest rate of 10 1/2 percent per annum for a period of 7 years and the rate to be subject to change thereafter.

IT IS FURTHER ORDERED that Henderson be and it hereby is authorized to execute its notes as security for the loan herein authorized.

IT IS FURTHER ORDERED that the proceeds from the proposed borrowing shall be used only for the lawful purposes set out in the application and record.

Nothing herein contained shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 3rd day of February, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger  
Chairman

Richard L. L.  
Vice Chairman

Spencer N. Williams  
Commissioner

ATTEST:

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Secretary